

OFFICIAL STATEMENT

Redevelopment Agency
of the City of Redlands

\$3,760,000

Parking Lease Revenue Bonds,
Series B

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JUL 10 1975

UNIVERSITY OF CALIFORNIA

Bids to be received by the Secretary of the Agency at or before 10:00 A.M., Tuesday, July 29, 1975
in the office of the City Clerk, City Hall, 30 Cajon Street, Redlands, California 92373

[Stone + Youngberg, municipal financing
consultants]
Motor transp. Parking Redlands
Public debts. Munic.
Investments Pub. secur.



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REDEVELOPMENT AGENCY OF THE CITY OF REDLANDS

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The information contained in this Official Statement was prepared under the direction of the Redevelopment Agency of the City of Redlands by Stone & Youngberg Municipal Financing Consultants, Inc., financing consultants to the Agency.

All of the following summaries of the statutes and resolutions are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

The information contained in this Official Statement has been compiled from sources believed to be reliable. The Official Statement contains estimates and matters of opinion, which are not intended as representations of fact. This Official Statement is not to be construed as a contract with the purchasers of the bonds.

THE DATE OF THIS OFFICIAL STATEMENT IS JULY 3, 1975

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INTRODUCTION

The Redevelopment Agency of the City of Redlands was created by Ordinance No. 1436 of the City Council, dated April 6, 1971 and pursuant to the Community Redevelopment Law of the State of California. Ordinance No. 1436 provides for the City Council to act as the Agency.

Ordinance No. 1500 of the City Council, dated September 26, 1972, approved the Redevelopment Plan for a 500 acre area in the central portion of the City known as the Redlands Redevelopment Project.

The Agency has entered into a disposition and development agreement providing for the construction of a shopping center which will cover an area of six blocks in the central business district. The Agency will acquire all of the land in the six block area (including land owned by the City which will be deeded to the Agency without cost) and will deed the shopping center building sites to the developer. The Agency will also provide approximately 470 surface parking spaces within the six-block area and approximately 150 additional spaces across the street forming the southern perimeter of the six-block area. The developer will construct a subsurface parking garage with approximately 300 spaces below a portion of the shopping center.

The shopping center will contain a department store, a mall and mall shops, a food market and a financial building including a branch bank.

The Agency is also engaged in the redevelopment of a three-block area directly north of the shopping center. A 40,000 square foot furniture store has already been constructed there to house a business formerly located in the six-block area. Plans call for the construction of a restaurant and a professional building including a savings and loan association office.

On April 30, 1974, the Agency sold \$2,440,000 of Series A Parking Lease Revenue Bonds to finance the acquisition and clearance of sites for parking facilities.

On October 30, 1974, the Agency sold \$2,000,000 of 1974 Tax Allocation Notes to finance the acquisition and clearance of additional land, including both land to be used for parking and land to be deeded to the developer.

On July 15, 1975, the Agency will offer for sale \$5,670,000 of 1975 Redlands Redevelopment Project Tax Allocation Bonds. The proceeds from the

sale of the bonds will be used to pay the costs of acquiring and clearing the balance of the land to be conveyed to the developer in both the six-block area and the adjacent three-block area, plus a portion of the land to be used for surface parking; to repay the \$2,000,000 of 1974 Tax Allocation Notes; to repay a \$300,000 advance from the City to the Agency and to reimburse certain funds previously advanced to the Agency by the developer.

The \$3,760,000 of Series B Parking Lease Revenue Bonds currently being offered for sale will be used to finance the acquisition and clearance of the balance of the land to be used for surface parking and the construction of the surface parking facilities.

Both the Series A and the Series B Parking Lease Revenue Bonds are secured by a pledge of the rental revenues due the Agency from the City under a lease of the parking project.

The sites acquired by the Agency with the proceeds of the Series A bonds were leased to the City under terms of a lease agreement dated May 1, 1974. The agreement was amended as of May 15, 1975, to cover the balance of the parking sites (including the land to be acquired for parking purposes with the proceeds of the Tax Allocation Bonds), plus the parking facilities to be constructed on the sites. The amendment also releases from the lease a parcel of land acquired with the proceeds of the Series A Parking Lease Revenue Bonds, which will not be used by the Agency for parking. The amended lease will provide for an annual base rental sufficient to meet the combined bond service requirements of the Series A and B Parking Revenue Bonds.

Under the lease the City agrees to include the total rental in its budget for each fiscal year in which the rental is due. The City expects to derive the funds to meet the rental payments from money to be reimbursed to it by the Agency from tax increment revenues derived by the Agency from the redevelopment project. Under the law, the Agency may reimburse the City for the cost of City-owned land which will be used for the redevelopment project and for other materials and services provided by the City for the benefit of the redevelopment project, including the rental payments on the parking project. However, the obligation to reimburse the City has been subordinated to the Agency's obligation to meet debt service on its tax allocation bonds. Furthermore the City is obligated to make the rental payments due to the Agency under the lease whether or not it receives such reimbursements from the Agency.

To insure prompt payment of the bonds, certain safeguards are provided in the resolution providing for their issuance, including the following provisions.

1. An amount equal to the first 30 months' interest on the bonds will be deposited in the Bond Service Fund from the bond proceeds. The first base rental payment will not be due until after the first tax increment from the shopping center is expected to be received by the Agency. It may be noted that, if completion of the shopping center is delayed by six months beyond the expected date, the Agency will still receive tax increment revenues in time to reimburse the City sufficient money to cover the first rental payment.
2. The amount in the Reserve Fund will be increased to an amount equal to the annual base rental due under the amended lease.
3. Various types of insurance will be provided including fire and extended coverage insurance, earthquake insurance and business (rental) interruption insurance for the foregoing perils equal to twelve months' rental, plus public liability and workmen's compensation protection.
4. A policy of title insurance with lender's leasehold endorsement insuring the validity of the lease will be obtained following acquisition of the parking sites. An interim binder will be obtained prior to the delivery of the bonds.

Redlands is located in the southwestern portion of San Bernardino County, approximately 60 miles east of Los Angeles. The City is well known as an attractive residential community and the site of the University of Redlands. Commerce and industry are also important to the City's economy and retail commercial activity is expected to increase with the completion of the shopping center in the redevelopment project area.

The population of the City was certified by the State Department of Finance to be 37,500 as of January 1, 1975.

The assessed valuation of the City for the 1974/75 fiscal year is \$89,961,345, an increase of more than 30 percent since 1969/70. Secured tax delinquencies for the 1974/75 fiscal year represented 3.24 percent of secured tax levies. The direct and overlapping general obligation bonded debt of the City as of July 29, 1975 is estimated to be \$9,839,437 or 10.93 percent of the 1974/75 assessed valuation.

THE BONDS

Authority For Issuance

The \$3,760,000 of Series B Parking Lease Revenue Bonds of the Redevelopment Agency of the City of Redlands will be issued under provisions of the Community Redevelopment Law, Part 1 of Division 24 of the California Health and Safety Code, commencing with Section 33000 and pursuant to the terms of Resolution No. 145 of the Agency adopted July 3, 1975. A copy of the resolution is included in the basic legal documents accompanying this Official statement.

Series A bonds in the amount of \$2,440,000 were issued pursuant to Resolution No. 129 of the Agency, adopted April 16, 1974.

Terms of Sale

Bids for the purchase of the bonds will be received by the Redevelopment Agency at or before 10:00 A.M., on Tuesday, July 29, 1975 in the office of the City Clerk of the City of Redlands, City Hall, 30 Cajon Street, Redlands, California 92373. The bids will be referred to the Agency for action at a meeting to be held at 2:00 P.M. on the same day. Details of the terms of sale are contained in the Notice Inviting Bids adopted by the Agency on July 3, 1975.

Description of the Bonds

The \$3,760,000 of bonds will be issued in denominations of \$5,000 each and will be numbered B1 through B752. The bonds will be dated May 15, 1975 and will mature serially on May 15 of each of the years and in the amounts shown below.

SCHEDULE OF MATURITIES

Years	Principal Maturing	Years	Principal Maturing
1978	\$ 20,000	1991	\$170,000
1979	60,000	1992	180,000
1980-81	70,000	1993	200,000
1982-83	80,000	1994	210,000
1984-85	100,000	1995	240,000
1986	110,000	1996	260,000
1987	120,000	1997	280,000
1988	130,000	1998	300,000
1989	140,000	1999	330,000
1990	160,000	2000	350,000

Interest will be payable semiannually on May 15 and November 15 of each year, commencing November 15, 1975.

Both interest and principal will be payable at the office of the fiscal agent, the Bank of America NT & SA, in Los Angeles and San Francisco, California, and at paying agents in Chicago, Illinois and New York, New York.

Registration

The bonds will be issued as coupon bonds which may be exchanged for fully registered bonds. The fully registered bonds will be exchangeable for coupon bonds under the terms set forth in Resolution No. 145.

Redemption

Except in the event of condemnation of the project or substantial damage which renders the project or any portion unuseable, bonds maturing on or before May 15, 1987 are not subject to call for redemption prior to maturity. Bonds maturing on and after May 15, 1988 may be called for redemption, at the option of the agency, in inverse order of maturity, and by lot within a single maturity on any interest payment date commencing May 15, 1987.

In the event that all or a portion of the project is condemned or damaged, the Agency may use the proceeds of the award in condemnation or insurance proceeds to provide substitute facilities to be rented to the City or to call and redeem bonds. If only a portion of the property should be condemned or damaged and less than all of the outstanding bonds are to be redeemed, the Fiscal Agent will select a principal amount in each maturity to be redeemed so as to provide for as nearly equal bond service as possible on the remainder of the bonds. The bonds to be redeemed within each maturity will be selected by lot.

The bonds are redeemable at par value plus accrued interest and a premium of one quarter of one percent of par value or each year or fraction of a year from the redemption date to the maturity date, but not to exceed five percent. The maximum premium payable if the bonds were redeemed on May 15, 1987, would be $3\frac{1}{4}$ percent.

Notice of redemption is to be published in a newspaper of general circulation in Los Angeles and a financial journal circulated in New York and is

to be mailed to owners of registered bonds not less than 30 days prior to the redemption date. If all of the outstanding bonds are registered, only mailed notice need be given.

Legal Opinion

The unqualified legal opinion of O'Melveny & Myers, Los Angeles, California, Bond Counsel for the Agency, attesting to the validity of the bonds will be furnished without cost to the original purchaser of the bonds. A copy of the legal opinion will be printed on each bond without charge to the purchaser.

The statements of law and legal conclusions set forth in this official statement under the heading "The Bonds" have been reviewed by Bond Counsel. Bond Counsel's employment is limited to a review of the legal procedures required for the authorization of the lease described below and of the bonds and to rendering an opinion as to the validity of the bonds and the exemption of interest on bonds from income taxation. The opinion of Bond Counsel will not consider or extend to any documents which Bond Counsel did not prepare or review or to any agreements, representations, offering circulars or other material of any kind concerning the bonds not mentioned in this paragraph.

Tax Exempt Status

In the opinion of bond counsel the interest on the bonds is exempt from income taxes of the United States under present federal income tax laws (except that interest on bonds held by any substantial user of the project or related person may be taxable). Such interest is also exempt from personal income taxes of the State of California under present state law.

Eligibility For National Banks

A request has been made to the Controller of the Currency for a ruling that the bonds are eligible for purchase, dealing in, underwriting and unlimited holding by national banks.

Legality For Investment In California

Section 33663 of the Community Redevelopment Law provides that the state, municipalities and other public bodies, banks, trust companies, savings banks, insurance companies and other financial institutions may legally invest funds subject to their control in bonds of a redevelopment agency.

The State Superintendent of Banks has ruled that bonds of a redevelopment agency are eligible for investment by savings banks in California. As such, the bonds are believed to be eligible to secure deposits of public funds.

Purpose

The bonds are being issued to finance the acquisition of sites for, and construction of public parking facilities within the Redlands Redevelopment Project. The parking project is to be leased to the City when improved.

Security

Series A and B bond principal and interest are equally secured by an exclusive pledge of the annual base rental payable by the City of Redlands to the Agency for the use of the parking project under terms of the lease described below. Any income derived by the Agency from the investment or deposit of money held in any fund created in connection with the sale of the bonds, except money in the Acquisition and Construction Account, will also be used, if required, to meet bond service.

The Lease Agreement

The parking sites to be acquired and cleared with the proceeds of these bonds will be leased under terms of a lease agreement dated May 1, 1974, and amended as of May 15, 1975. The lease will terminate on May 1, 2009, or when payment, or provision for payment, of all bonds has been made. The lease may be terminated earlier in the event of condemnation or destruction of the project, or default by the City under terms of the lease.

Ordinance No. 1560 of the City Council, approving the amendment to the lease, was adopted on June 19, 1975. The ordinance becomes effective 30 days after approval.

The lease provides that the City will pay the Agency in advance equal semi-annual installments of base rentals on August 15 and February 15 of each year. Rentals will commence on the later of February 15, 1978 or the date the Agency gives the City written notice that the property is available for use for parking purposes. The expected completion date of the parking facilities is September 1976. The February 15, 1978 date was selected in order to allow time for increases to occur in assessed

valuations in the project area which will produce tax increment revenues to the Agency which may be used to reimburse the City for its rental payments.

Ordinance No. 1560 provides for a maximum semiannual rental of \$370,000. However the actual amount of the base rental will be determined after the sale of the bonds and will be in an amount sufficient to cover annual Series A and B bond service requirements over the entire term of the issue.

The City is required to provide for the operation and maintenance of the parking facilities to be constructed on the sites and to pay to the Agency as additional rent the amount necessary to pay taxes and assessments, if any, premiums for insurance required by the lease or the bond resolution and any other expenses of the Agency in connection with the parking project which are not met from other sources.

The City is obligated under the lease to budget for and appropriate the amount of the rentals due in each fiscal year. Under terms of the bond resolution the Agency is required to enforce the terms of the lease. Should the City default in its obligations under the lease the Agency has the right to relet the premises for the account of the City without terminating the lease and the City is obligated to make up any deficiencies in revenues to the Agency.

The lease provides that the proceeds of any condemnation award or insurance payment for damages to the project will be used to repair or replace the facility or to call and redeem bonds. It further provides that if the Agency has sufficient funds to repair or replace the facility (including funds to meet debt service during the time required) it must do so unless the City consents to the redemption of bonds instead.

Creation of Special Funds

Resolution No. 129 of the Agency provided for the establishment of special funds for the control and administration of bond proceeds and of the revenues pledged to meet bond service. These funds, their sources and uses, are listed in the tabulation at the top of the following page. The tabulation also shows whether the funds are held by the Fiscal Agent or the Treasurer and whether money in the fund may be invested.

Further details of the funds are described on the following pages.

REDEVELOPMENT AGENCY OF THE CITY OF REDLANDS
PARKING LEASE REVENUE BONDS
Special Funds

Fund or Account	Held By	Source	Use
Acquisition and Construction Account	Treasurer	Bond Proceeds	First 30 months' interest, Reserve Fund and Acquisition and Construction Costs
Revenue Fund	Treasurer	City rental payments and other pledged revenues	Transfers to other funds
Bond Service Fund	Fiscal Agent	Bond proceeds and Revenue Fund investment earnings	Payment of bond principal and interest
Reserve Fund	Fiscal Agent	Bond proceeds (and, if required, Revenue Fund)	Payment of bond principal and interest
Maintenance and Operation Fund	Treasurer	Revenue Fund	Insurance and other project-related expenses
Surplus Revenue Fund	Treasurer	Revenue Fund	Purchase or redemption of bonds, transfers to Acquisition and Construction Account, or reimbursement of City rental payments

Disposition of Bond Proceeds

Upon delivery of the bonds the following amounts will be transferred to the fiscal agent for deposit as indicated.

1. **Bond Service Fund** — An amount equal to the first 30 months' interest on the bonds will be deposited in the Bond Service Fund and used to pay interest as it becomes due.

2. **Reserve Fund** — An amount which, together with the amount already in the fund, will be equal to one year's base rental under the lease will be deposited in the Reserve Fund.

Money in the Reserve Fund is to be used to pay bond interest and principal in the event there are insufficient revenues for the purpose and money withdrawn from the Reserve Fund must be replenished from the first available revenues. The fund may also be used to meet the final payments of bond principal and interest.

3. **Parking Acquisition and Construction Account** — The balance of the proceeds are to be held by the Treasurer and placed in the Parking Acquisition and Construction Account within the Redevelopment Project Redevelopment Fund. Money in the

account is to be used to acquire and construct the project to be leased to the City. Any balance remaining in the account may be transferred to the Bond Service Fund or to the Redemption Fund, in either of which cases it is to be applied as a credit toward base rental due from the City under the lease, or retained in the account and used to finance future parking project improvements.

Deposit and Application of Revenues

1. **Revenue Fund** — All pledged revenues are to be placed by the Treasurer in the Revenue Fund from which they will be transferred for the purposes and in the order of priority listed below.

2. **Bond Service Fund** — On or before May 1, 1978, the Treasurer will transfer to the Fiscal Agent, for deposit in the Bond Service Fund, an amount which, together with the balance in the fund, will be equal to the principal and interest coming due on May 15, 1978. On or before November 1, 1978 and on or before May 1 and November 1 of each succeeding year the Treasurer will transfer to the Fiscal Agent for deposit in the Bond Service Fund an amount which, together with the balance in the fund, will equal the interest coming due on the next

interest payment date and one half the principal coming due on the next principal payment date.

3. **Reserve Fund** — The Treasurer will transfer to the Fiscal Agent for deposit in the Reserve Fund from the first available revenues the amount, if any, required to maintain the balance in the fund at an amount equal to one year's base rental.

4. **Maintenance and Operation Fund** — The Treasurer will place in the Maintenance and Operation Fund the amount necessary to pay taxes and assessments, if any, levied on the project and any operating costs of the Agency in connection with the issuance of the bonds or of the project to be financed by them, including insurance premiums and fiscal agent fees.

Under terms of the lease the City will operate and maintain the project. However if the Agency should be required to operate and maintain it as a result of a default by the City under the lease, the costs will be met from this fund.

5. **Surplus Fund** — Any money in the Revenue Fund on June 15 of any year, beginning June 15, 1978, provided it is not required to meet future debt service requirements under the schedule of base rental payments, will be transferred by the Treasurer to the Surplus Fund and may be used by the Agency for additions or improvements to the project, to purchase or redeem bonds, to reimburse the City for any rental payment, or transferred to the Maintenance and Operation Fund.

Investment of Funds

Money in the Acquisition and Construction Fund, the Bond Service Fund and the Revenue Fund may be deposited or invested in accounts or federal securities which will mature on or before the date the money must be paid out of such funds. Any interest earnings will become a part of such funds.

Money in the Reserve Fund may be deposited or invested in accounts or federal securities maturing at any time prior to the last principal payment date. Interest earnings which bring the balance in the fund to an amount in excess of one year's base rental will be transferred to the Revenue Fund.

Additional Bonds

The resolution provides that no additional bonds having a priority in payment out of the pledged revenues may be issued. Additional bonds may be

issued on a parity with the Series A and B bonds under the following conditions:

1. The additional bonds must be issued to finance the parking project or an addition to it and must be declared by the Agency to be necessary for that purpose.
2. The Agency must not be in default under the resolution providing for the issuance of these bonds.
3. The proceeds from the sale of the additional bonds, together with any other money available for the purpose, must be sufficient to meet the costs of acquisition and construction, incidental expenses of bond issuance, interest during the period of acquisition and construction and the required transfer to the Reserve Fund as described in paragraph 5 below.
4. The Agency and the City must have entered into a new or supplemental lease agreement which provides for sufficient annual base rental payments to meet bond service requirements of the outstanding bonds and the additional bonds.
5. Provision must be made to increase the Reserve Fund to an amount equal to the new annual base rental figure.
6. The additional bonds must be payable as to principal on May 15 and as to interest on May 15 and November 15 and may not be subject to call for redemption prior to May 15, 1987, except in the event of condemnation or destruction of the project.

Insurance

The resolution of issuance requires that the Agency maintain or cause to be maintained the following policies of insurance covering the parking project.

1. **Insurance against damages by fire, earthquake, etc.** — The Agency will maintain insurance against damages by the following causes in the following amounts, if obtainable from reputable insurers on the open market.

a. *Against fire* — Insurance against fire, lightning and perils normally included under "extended coverage," in amounts equal to the full insurable value of the project, or the Agency's outstanding bonds together with any premiums payable upon redemption, whichever is less.

b. *Against earthquakes* — Insurance against earthquakes, in amounts equal to the full insurable value of the project, or the Agency's outstanding bonds, whichever is less, subject to deductibles of ten percent for any one loss.

c. *Against war risks* — Insurance against war risks in an amount not less than the value, new, of the project.

d. *Against damage by sprinkler systems, steam boilers, etc.* — Insurance against damage caused by sprinkler systems, steam boilers, pressure vessels and similar apparatus, if appropriate, in amounts to be determined by the Agency and approved by the fiscal agent. Such protection is not expected to be appropriate since no structure will be financed by the bonds.

2. Insurance Against Business (Rental) Interruption — The Agency will maintain insurance against business (rental) interruption against all of the perils described above in an amount equal to at least one year's rental under the lease.

3. Liability and Workmen's Compensation Insurance — The Agency will maintain public liability insurance of at least \$250,000 per person and \$1,000,000 per accident with respect to bodily injury or death and \$50,000 for property damage, plus workmen's compensation insurance for all persons employed in connection with the Project.

Other Covenants

Resolution No. 129 contains certain additional covenants under which the Agency agrees:

1. To punctually pay bond principal and interest as they become due.

2. To pay, discharge, or contest any lawful claims and any taxes, assessments, or other governmental charges upon the project or the revenues which might impair the security of the bonds.

3. To promptly acquire and clear the sites and construct the parking facilities.

4. To enforce and abide by the lease agreement.

5. Except as permitted by the lease, not to mortgage, encumber, sell, lease, place a charge on or otherwise dispose of the project or the revenues therefrom, except under the provisions for substitute facilities and not to enter into any agreement which impairs the rights of the bondholders with respect to the revenues or operation without making adequate provision to protect the rights of bondholders.

6. To keep proper books of record and accounts and to file with the Trustee annually, within 120 days after the end of each fiscal year, detailed certified audits covering the operation of the Agency, showing revenues, expenses, insurance in force, and the status of each fund.

7. To maintain or cause to be maintained the project.

8. If for any reason the Agency should operate the project, to fix and collect charges sufficient to pay bond principal and interest when due, to pay all operation and maintenance expenses and to maintain the special funds provided for in the Resolution.

9. In the event the City fails to budget for the rental payments as required under the lease to take such action as is necessary to have the City budget and appropriate money for such payments and to advise the fiscal agents of the actions taken.

10. Not to make any use of the bond proceeds which would cause the bonds to be arbitrage bonds.

THE PROJECT

The Series B Parking Lease Revenue Bonds are being issued to finance the acquisition and clearance of land for parking lots and the construction of parking lots on these lands and on lands previously acquired by the Agency.

The parking lots will surround three sides of a new shopping center to be constructed under terms of a Disposition and Development Agreement between the Agency and R-J Investments, Newport Beach, California. The shopping center will be located on lands to be conveyed by the Agency to the developer under terms of the Disposition and Development Agreement. It will include a subsurface garage containing approximately 300 parking spaces which will be constructed by the developer under terms of the Disposition and Development Agreement. Upon completion of construction the garage will be deeded to the Redevelopment Agency.

The Redevelopment Agency

The Redevelopment Agency of the City of Redlands was created under provisions of Ordinance No. 1436 of the City Council of the City of Redlands, dated April 6, 1971, and pursuant to the Community Redevelopment Law of the State of California. In the Ordinance the City Council declared itself to be Agency.

Under the Community Redevelopment Law, the Agency is a separate public body and exercises governmental functions in executing duly adopted redevelopment projects. The Agency has the right to acquire property, by purchase or eminent domain proceedings, to clear, develop and improve property, to sell or lease such property, to accept financial assistance from any source and to issue bonds.

The Community Redevelopment Law authorizes a method of financing redevelopment projects based upon the increase in property taxes within the project area which may occur as redevelopment proceeds. The assessed valuation within the project area is frozen at the level existing prior to the adoption of the redevelopment plan and all overlapping taxing agencies continue to receive the taxes derived by the levy of their current tax rates against assessed valuations of the project area up to this frozen base. All property taxes collected upon any increase in assessed valuations above the frozen base will be credited to a redevelopment agency to the extent necessary to repay any indebtedness incurred by the

REDLANDS REDEVELOPMENT PROJECT BOUNDARY MAP

PREPARED BY THE PLANNING COMMISSION IN COOPERATION WITH



**THE REDEVELOPMENT AGENCY
OF THE CITY OF REDLANDS CALIFORNIA**

LEGEND

- REDEVELOPMENT PROJECT BOUNDARY
- PROPERTY SUBJECT TO ACQUISITION
- TENTATIVE STREET CONSTRUCTION
- TENTATIVE STREET CLOSURE
- THE PROPOSED SHOPPING CENTER



0 500 1000 1500 2000
SCALE

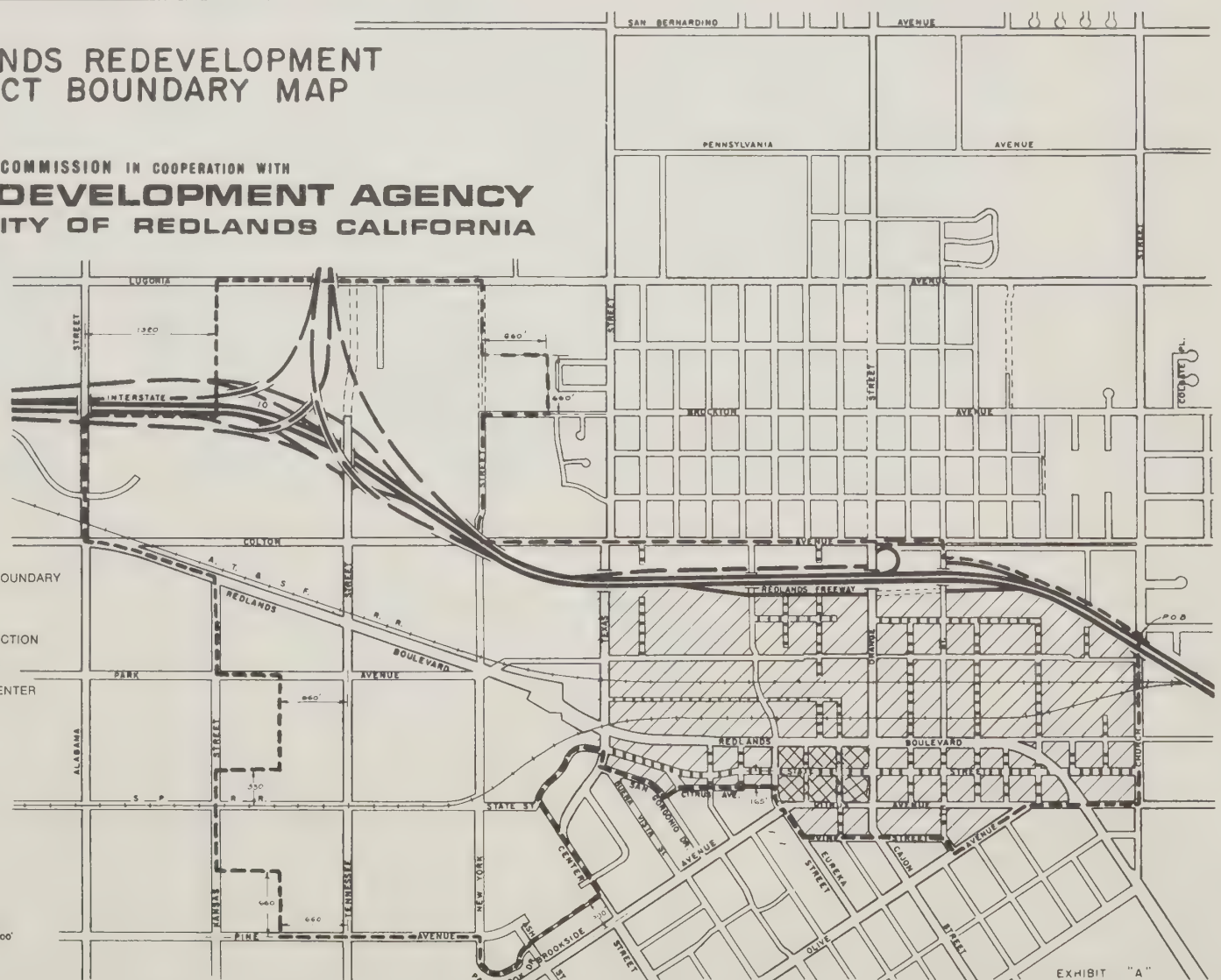


EXHIBIT "A"

9-11-72

Figure 1

agency in the development of the project. Such indebtedness may include a contractual obligation of the agency to reimburse to the city the costs of property, services and improvements provided by the city in aid of the redevelopment program including rentals.

The Redevelopment Project Area

The Redevelopment Project covers approximately 500 acres of land within the City of Redlands, extending from north of the Interstate 10 freeway across the central part of the City and including the downtown business area.

The boundaries of the project area are shown by Figure 1.

The 1974/75 assessed valuation of the project area is shown in Table 1.

Table 1

REDEVELOPMENT AGENCY OF THE CITY OF REDLANDS

1974/75 Assessed Valuation

	Total Assessed Valuation	Less: Frozen Tax Base	Increase (Decrease) From Tax Base
Local			
Secured . . .	\$ 9,045,550	\$ 8,083,190	\$ 962,360
Utility	3,460,060	3,139,150	320,910
Unsecured	2,461,040	2,540,840	(79,800)
Total	\$14,966,650	\$13,763,180	\$1,203,470

The Proposed Shopping Center

The proposed shopping center for which the Agency will furnish parking will be located on a 12.6 acre site within the downtown business district of the City. It will include a 60,000 square foot department store, a 22,100 square foot enclosed mall with approximately 74,000 square feet of mall shops, and a 12,000 square foot financial building which will include a 5,000 square foot bank. The Harris Company, which operates department stores in the neighboring Cities of San Bernardino and Riverside and in the City of Indio, southeast of Palm Springs, as well as a 30,000 square foot store in Redlands, has entered into a lease of the department store. Von's has entered into a lease of the market. The

developer is negotiating with United California Bank on a lease of the bank building.

Approximately 300 parking spaces will be provided by the developer in a 110,245 square foot covered garage extending below the department store and a portion of the mall. Approximately 470 surface parking spaces will be provided by the Agency on 248,300 square feet of land adjacent to the buildings. About 150 additional parking spaces will be provided by the Agency on 50,150 square feet of land located across the street forming the southern perimeter of the 12.6 acre area.

A diagram of the shopping center, and an adjacent area which is described below, is shown as Figure 2.

The Developer

The developer of the shopping center is R-J Investments, a California Corporation owned by Richard D. Jones, its president, and Frank A. Klaus, former chairman of Microdot, Inc.

Mr. Jones, an attorney, is also the chief executive officer of Northridge Fashion Center, a 1,450,000 square foot regional shopping center in the San Fernando Valley and of Valley Plaza, an 860,000 square foot regional shopping center in Bakersfield. He was responsible for the completion of construction and leasing of the Northridge Fashion Center, which was approximately half constructed and half leased when it came under his direction.

Prior to the formation of R-J Investments Mr. Jones did legal and development work on Metcalf Plaza, Fontana Square and Harbor Heights shopping centers, as well as Northridge Fashion Center and Valley Plaza. Concurrently he engaged from time to time in his own real estate business, consisting of two multistory office buildings, in Pasadena and Whittier, California, construction of apartment units in Pasadena and single residential units in Carpinteria, California.

Adjacent Development

The Agency has named Sequoia Pacific, a Southern Pacific Company, as developer of a three-block area immediately to the north of the shopping center. However it is expected that R-J Investments will be named developer of this area in place of and with the consent of Sequoia Pacific.

A new 40,000 square foot furniture store has been built in this area to house a business which had

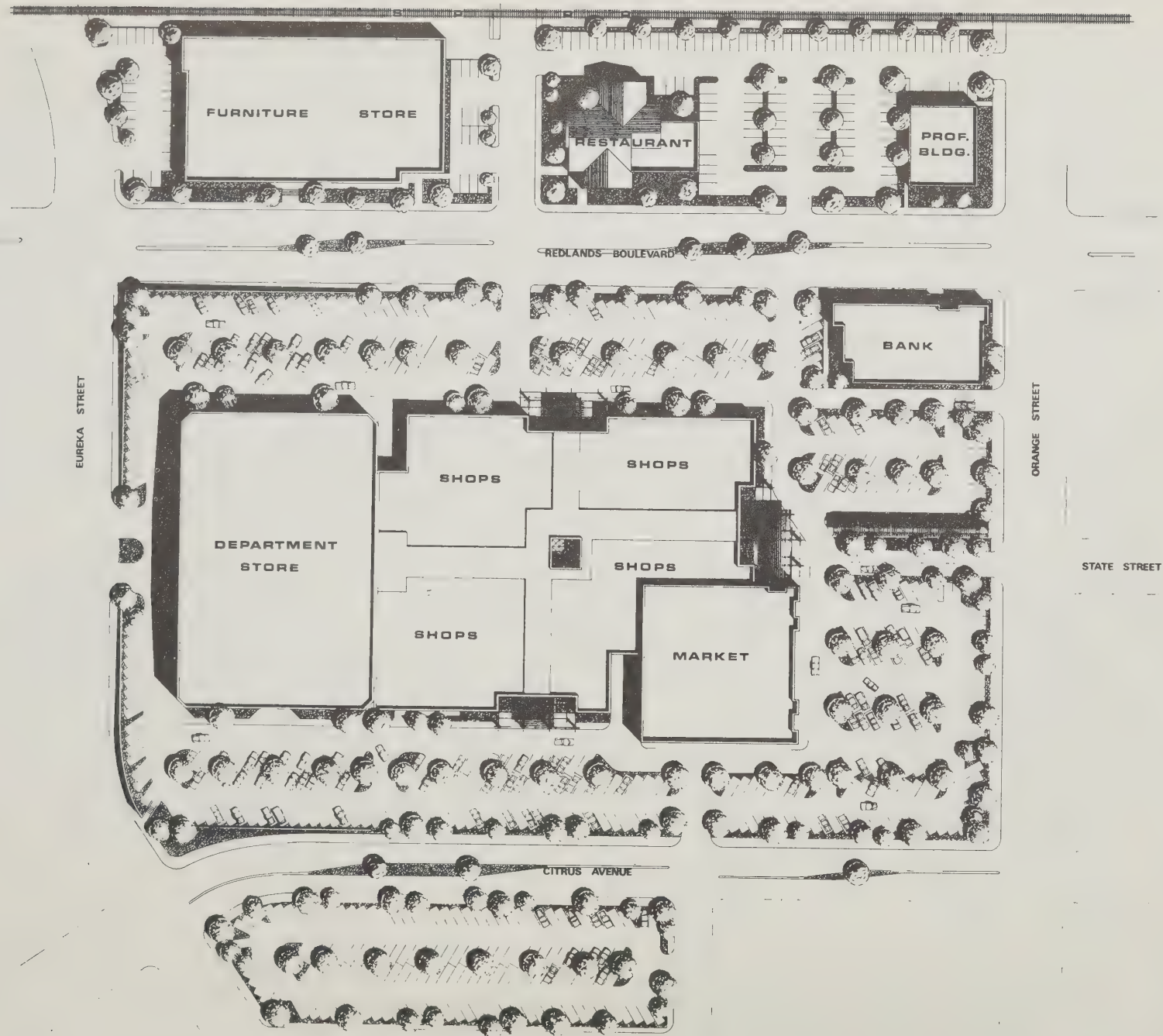


Figure 2

been located in the area being acquired and cleared for the shopping center.

Planned development in the area consists of a professional building and a restaurant. Home Savings and Loan Association has made application for a permit for a 2,000 square foot temporary branch office within the Redevelopment Project Area. It is anticipated that it will establish a permanent branch office in the professional building.

The Financing Program

The Redevelopment Program originally called for the Agency to acquire and clear the six-block area in which the shopping center will be located, to construct surface parking surrounding the shopping center and a parking garage over which a portion of the shopping center will stand, and to sell the developer the site for the shopping center, including air rights to the area over the garage.

On April 30, 1974 the Agency sold \$2,440,000 of Parking Lease Revenue Bonds, Series A, to finance the acquisition and clearance of land to be used for parking facilities, including 55,434 square feet of land to be used for the parking garage.

At the time the parking facility sites were acquired the Agency also acquired approximately 18,712 square feet of land which was transferred to the developer, together with the air rights over the 55,434 square feet of garage site.

Subsequently it was determined that it would be impractical for the Agency to construct the garage and the developer to construct the shopping center facilities above it, due to the problems associated with having two contractors and two owners involved in what was to be essentially a single construction project. Accordingly the agreement with the developer was modified to provide that the developer will construct the garage and the Agency will deed to the developer the shopping center site, including the land to be used for the garage, without charge.

On October 1, 1974, the Agency sold \$2,000,000 of 1974 Tax Allocation Notes to finance the acquisition, clearance and improvement of additional land, including both land to be retained by the Agency as sites for the surface parking and land to be conveyed to the developer.

The proceeds from the sale of the bonds currently being offered for sale will be used to acquire and

clear the balance of the surface parking sites and to finance the costs of constructing the surface public parking facilities.

On July 15, 1975 the Agency plans to sell \$5,670,000 of Tax Allocation Notes to finance the redemption of the 1974 Tax Allocation Notes, the acquisition, clearance and site preparation of the balance of the land to be conveyed to the developer, the acquisition of certain land to be used for surface parking and to be leased to the City in place of that portion of the garage site previously leased to the City, the repayment of a \$300,000 advance from the City to the Agency, and the reimbursement of the \$296,585 previously advanced by the developer to the Agency.

Estimated Financing Requirement

Table 2 shows an estimate of the funds required by the Agency from the proceeds of the 1975 Tax Allocation Bonds and the Series B Parking Bonds currently being offered for sale.

Table 2

REDEVELOPMENT AGENCY OF THE CITY OF REDLANDS

Estimated Funds Required

	Parking Revenue Bonds	Tax Allocation Bonds
Land Acquisition	\$ 708,308	\$1,095,147
Relocation	345,500	4,500
Demolition	241,910	48,000
Repayment to City	—	300,000
Repayment to Developer	—	296,585
Construction	1,050,000	442,354
Engineering	188,600	35,400
Contingencies	105,000	44,000
Subtotal	\$2,639,318	\$2,265,986
Repayment of 1974 Notes	—	2,040,356
Subtotal	\$2,639,318	\$4,306,342
Funded Interest	676,800	907,200
Reserve	448,400	453,600
Cost of Issuance	75,000	92,000
Total Funds Required	\$3,839,518	\$5,759,142
Less: Interest Earnings	84,000	90,000
Net Funds Required	\$3,755,518	\$5,669,142
Bond Issue	\$3,760,000	\$5,670,000

Maximum Annual Bond Service and Rentals

Table 3 shows the maximum annual bond service requirements for the Series B bonds, based on an interest rate of eight percent, together with actual annual bond service requirements for the Series A bonds sold on April 30, 1974, and the maximum annual base rental requirements.

Estimated Tax Increment

Table 4 shows an estimate of the tax increment to be derived by the Agency upon completion of the shopping center and the adjacent area to the north.

The value of the improvements in the shopping center and the adjacent area are equal to the estimated costs of construction. The estimated costs

Table 3
REDEVELOPMENT AGENCY OF THE CITY OF REDLANDS
Parking Lease Revenue Bonds, Series A
Estimated Annual Bond Service and Base Rental

Fiscal Year	Estimated Series B Bond Service				Actual Series A Bond Service	Combined Annual Bond Service	Base Rental
	Principal Outstanding	Interest Estimated @ 8%	Principal Maturing May 15	Total Bond Service			
1975/76 ..	\$3,760,000	\$ 300,800 ①	\$ —	\$ 300,800 ①	\$ 166,300	\$ 467,100 ①	\$ —
1976/77 ..	3,760,000	300,800 ①	—	300,800 ①	166,300	467,100 ①	—
1977/78 ..	3,760,000	300,800 ②	20,000	320,800	196,300	517,100 ③	292,500
1978/79 ..	3,740,000	299,200	60,000	359,200	224,200	583,400	585,000
1979/80 ..	3,680,000	294,400	70,000	364,400	220,000	584,400	585,000
1980/81 ..	3,610,000	288,800	70,000	358,800	225,800	584,600	585,000
1981/82 ..	3,540,000	283,200	80,000	363,200	220,900	584,100	585,000
1982/83 ..	3,460,000	276,800	80,000	356,800	226,000	582,800	585,000
1983/84 ..	3,380,000	270,400	100,000	370,400	220,400	590,800	585,000
1984/85 ..	3,280,000	262,400	100,000	362,400	224,800	587,200	585,000
1985/86 ..	3,180,000	254,400	110,000	364,400	218,500	582,900	585,000
1986/87 ..	3,070,000	245,600	120,000	365,600	222,200	587,800	585,000
1987/88 ..	2,950,000	236,000	130,000 ④	366,000	215,200	581,200	585,000
1988/89 ..	2,820,000	225,600	140,000 ④	365,600	218,200	583,800	585,000
1989/90 ..	2,680,000	214,400	160,000 ④	374,400	210,500	584,900	585,000
1990/91 ..	2,520,000	201,600	170,000 ④	371,600	213,130	584,730	585,000
1991/92 ..	2,350,000	188,000	180,000 ④	368,000	215,090	583,090	585,000
1992/93 ..	2,170,000	173,600	200,000 ④	373,600	216,380	589,980	585,000
1993/94 ..	1,970,000	157,600	210,000 ④	367,600	217,000	584,600	585,000
1994/95 ..	1,760,000	140,800	240,000 ④	380,800	206,950	587,750	585,000
1995/96 ..	1,520,000	121,600	260,000 ④	381,600	206,900	588,500	585,000
1996/97 ..	1,260,000	100,800	280,000 ④	380,800	206,180	586,980	585,000
1997/98 ..	980,000	78,400	300,000 ④	378,400	204,790	583,190	585,000
1998/99 ..	680,000	54,400	330,000 ④	384,400	202,730	587,130	585,000
1999/2000	350,000	28,000	350,000 ④	378,000		378,000	585,000
		\$5,298,400	\$3,760,000	\$9,058,400	\$5,064,750	\$14,123,150	\$13,162,500

① Paid from bond proceeds

② One half paid from bond proceeds

③ \$233,550 paid from bond proceeds

④ Callable on and after May 15, 1987

of construction of the shopping center mall and commercial areas were provided by Charles Kober Associates, AIA, architects for the developer. The estimated costs of fixtures and inventories were provided by Coldwell Banker, leasing agents for the project. The estimated costs of construction and the estimated value of inventories in the adjacent area were furnished by Coldwell Banker. Land values in both areas are as estimated by the Agency staff.

The valuation of building permits which have been issued for construction of taxable improvements within the Redevelopment Project were compiled by the City Department of Building Safety.

The estimated value of other improvements anticipated within the Redevelopment Project Area were made by the City Director of Community Development and the Department of Building Safety. The estimates are based on plans announced by private developers.

Tax increment revenues are not pledged to the payment of the Parking Lease Revenue Bonds. However, it is expected that any such tax increment revenues which are in excess of debt service requirements of tax allocation bonds to be issued by the Agency will be paid to the City as reimbursements for rental payments pursuant to a reimbursement agreement approved by the City and the Agency on June 19, 1975.

It may be noted that the estimated tax increment is sufficient to meet the maximum revenues required to cover debt service on both the Tax Allocation Bonds and the Parking Lease Revenue Bonds, without taking into account any increase in sales tax revenues to be derived by the City, although such sales tax revenues would be available to the City to meet a portion of the rental payments securing the Parking Lease Revenue Bonds. R-J Investments estimates that the shopping center will produce taxable sales of \$10,550,000 which would yield the City \$100,225 in sales tax revenues.

Table 4
REDEVELOPMENT AGENCY OF THE CITY OF REDLANDS
Estimated 1977/78 Tax Increment

	Shopping Center	Adjacent Area	Total
Commercial Buildings	\$4,300,000 ^①	\$1,995,000 ^②	\$ 6,295,000
Mall	548,000 ^①	—	548,000
Fixtures	1,986,000 ^②	640,000 ^②	2,626,000
Inventories	1,785,000 ^②	640,000 ^②	2,425,000
Land	937,788 ^③	840,714 ^③	1,778,502
Subtotal	\$9,556,788	\$4,115,714	\$13,672,502
Valuation of Building Permits			5,877,341 ^③
Other Anticipated Construction			16,438,000 ^③
Total Estimated Increase In Property Valuation			\$35,987,843
Times: Assessment Rate25
Gross Increase In Assessed Valuation			\$ 8,996,960
Less: Existing Assessed Valuation of Area to Be Cleared			724,860
Net Increase In Assessed Valuation			\$ 8,272,100
Existing Increase Over Frozen Tax Base (From Table 3)			1,203,470
Basis of Tax Increment			\$ 9,475,570
Times: Tax Rate Per \$100 ÷ 100121524
Tax Increment			\$ 1,151,509
Maximum Annual Tax Allocation Bond Service		\$ 550,800	
Annual Base Rental (From Table 3)		585,000	
Total Revenue Requirement			1,135,800
Balance			\$ 15,709

① Source: Charles Kober Associates, AIA

② Source: Coldwell Banker

③ Source: City staff

Figure 3 Vicinity Map

FINANCIAL DATA

Assessed Valuations

Assessed valuations for the City of Redlands are established by the San Bernardino County Assessor, except for utility property which is assessed by the State Board of Equalization. According to the State Board of Equalization, San Bernardino County assessed valuations for the 1974/75 fiscal year averaged 23.6 percent of full cash value. Utility property was reported to be assessed at approximately 25 percent of full value.

The assessed valuation of the City reflects two types of exemption from ad valorem taxes (\$1,750 of the assessed valuation of an owner-occupied dwelling and 50 percent of the assessed valuation of business inventories) which do not result in any revenue loss to local taxing agencies since an amount equivalent to the taxes which would have been payable on such exempt property is paid by the State. The following tabulation shows the 1974/75 assessed valuation of the City of Redlands before and after giving effect to these exemptions.

CITY OF REDLANDS

1974/75 Assessed Valuations

	Base Assessed Valuation	Homeowners' and Business Inventory Exemptions	Assessed Valuation For Revenue Purposes
Secured ..	\$61,938,480	\$12,072,375	\$74,010,855
Utility ...	7,285,315	335	7,285,650
Unsecured	7,128,940	1,535,900	8,664,840
Total ..	\$76,352,735	\$13,608,610	\$89,961,345

Following is a summary of assessed valuations of the City over the past five years.

CITY OF REDLANDS

Assessed Valuations

Fiscal Year	Assessed Valuation ^①
1970/71	\$70,660,260
1971/72	75,752,490
1972/73	78,365,110
1973/74	85,714,410 ^②
1974/75	89,961,345 ^②

① Before deduction of homeowners' and business inventory exemptions.

② After deducting incremental increase in Redevelopment Project.

Tax Rates

The total City of Redlands tax rate for the 1974/75 fiscal year is \$2.225 per \$100 of assessed valuation made up of the following components.

CITY OF REDLANDS

1974/75 Tax Rates

General	\$.960
Retirement405
Parks445
Recreation080
Library285
Sewer050
Total	\$2.225

The total tax rate for the largest code area in the city (assessed valuation \$75,446,080) is \$12.1524 per \$100 assessed valuation of all property, plus 2.69 cents per \$100 on land only. The components of this rate are shown below.

TAX CODE AREA 501

1974/75 Tax Rates

County	\$ 3.0034
City	2.2250
Schools	5.6440
Flood Control	0.3000
Water District	0.9800
Total	\$12.1524①
Water Conservation	0.0269②

① Applicable to all property.

② Applicable to land only.

Tax Levies and Delinquencies

City of Redlands ad valorem taxes are collected by the San Bernardino County Tax Collector at the same time and on the same rolls as county and school taxes. Ad valorem taxes are payable in two installments on November 1 and February 1, and become delinquent on December 10, and April 10, respectively. Taxes on property on the unsecured roll are assessed on March 1 and become delinquent on August 31, in the next fiscal year.

Following is a summary of the total secured taxes levied within the City of Redlands for all purposes

(including taxes of the county, city, schools and special districts) for the past five years, together with the amounts and percentages delinquent as of June 30, of each year.

CITY OF REDLANDS

Tax Levies and Delinquencies

Fiscal Year	Tax Levy	Delinquent June 30	
		Amount	Percent
1969/70	\$6,792,156	\$203,418	2.99%
1970/71	7,107,124	167,452	2.36
1971/72	7,860,057	201,838	2.57
1972/73	8,214,033	193,190	2.35
1973/74	8,178,886	265,313	3.24

Revenues, Expenditures and Fund Balances

Table 5 presents a five year summary of the City's general revenues and expenditures, as reported to the State Controller.

The City's annual report listed fund balances as of June 30, 1974, as shown below. The negative fund balance in the Sewer Construction Fund was due to the fact that a major sewerage construction program is being funded in large part by State and Federal grant programs under which funds are not received until after each phase of construction is completed, thus requiring the city to advance and encumber funds which are later reimbursed by grant monies.

CITY OF REDLANDS

Fund Balances June 30, 1974

General Fund	\$ 1,471,533
Park Fund	219,709
Legal and Capital Fund (Water)	1,379,818
Water Bond Acquisition and Construction Fund	664,407
State Gas Tax Fund	625,148
Sewer Rental Fund	842,154
Revenue Sharing Fund	149,900
Sewer Construction Fund	(1,323,474)
All Other Funds	(300,345)
Total	\$ 3,728,850

Table 5
CITY OF REDLANDS
General Revenues and Expenditures

Fiscal Year	1969/70	1970/71	1971/72	1972/73	1973/74
REVENUES:					
Property Taxes	\$1,278,519	\$1,366,714	\$1,480,724	\$1,606,705	\$1,616,224
Other Taxes	853,694	848,936	932,491	1,010,974	1,103,742
Licenses and Permits	102,687	117,383	146,685	137,412	108,063
Fines and Penalties	59,997	53,861	70,206	66,892	64,823
Use of Money and Property	197,070	207,360	173,047	192,868	307,484
From Other Agencies	681,689	844,030	953,262	1,523,824	1,661,278
Current Service Charges*	818,749	931,840	924,221	998,474	1,463,396
Other Revenue	61,326	126,665	113,377	152,346	325,410
TOTAL REVENUES	\$4,053,731	\$4,496,789	\$4,794,013	\$5,689,495	\$6,650,420
EXPENDITURES:					
General Government	\$ 826,774	\$ 868,129	\$ 968,380	\$1,253,675	\$1,180,575
Public Safety	1,229,849	1,324,252	1,486,736	1,612,116	1,726,176
Public Works	885,691	928,136	916,518	1,006,561	1,358,066
Library	188,578	200,836	218,782	237,643	242,054
Parks and Recreation	416,226	446,161	481,154	485,999	504,768
Health	5,176	1,256	—	—	—
To Enterprises	65,551	45,534	10,810	69,090	123,256
Capital Outlay	273,384	729,174	359,946	547,748	849,329
TOTAL EXPENDITURES	\$3,891,229	\$4,543,478	\$4,442,326	\$5,212,832	\$5,984,224

*Excludes charges for City water and sewer services.

Direct and Overlapping Bonded Debt

The City's direct general obligation bonded debt consists of \$720,000 of sewer bonds which were issued in two series, one in 1962 with a final maturity

of July 1, 1972, and the other in 1973 with a final maturity of February 1, 1983. Table 6 shows a summary of the direct and overlapping general obligation bonded debt of the City of Redlands as of July 29, 1975.

Table 6

CITY OF REDLANDS

Direct and Overlapping Debt

Population	37,500
1974/75 Assessed Valuation	\$ 89,961,345
Estimated Market Value	\$379,136,000 ^①

	Percentage Applicable	Debt Applicable July 29, 1975 ^②
City of Redlands	100.000%	\$ 720,000
Redlands Unified School District ^③	Various	5,985,974
San Bernardino County	4.058	41,189
San Bernardino County Flood Control District, Zone 2	0.018	173
San Bernardino City Unified School District ^③	0.149	36,289
San Bernardino Valley Municipal Water District	12.422	3,055,812
Total		\$9,839,437

	Percentage Of		
	Assessed Valuation	Market Value	Per Capita
Assessed Valuation	— %	— %	\$ 2,399
Direct Debt	0.80	0.19	19,200
Direct and Overlapping Debt	10.93	2.60	262

① The State Board of Equalization reports that San Bernardino County assessed valuations for 1974/75 averaged 23.6 percent of full cash value. Utility property is reportedly assessed at approximately 25%.

② Excludes bonds sold subsequent to the date of this official statement, revenue bonds and shares of City and San Bernardino County Lease obligations.

③ Including predecessor elementary and high school districts.

THE CITY

Redlands is the third largest city in San Bernardino County. The city covers an area of 22½ square miles and lies within the San Bernardino Valley in the southwestern portion of San Bernardino County. It is situated 63 miles east of Los Angeles, 103 miles north of San Diego and 500 miles southeast of San Francisco. Redlands comprises part of the San Bernardino-Riverside-Ontario Metropolitan Area and is part of the locale of major population and economic growth.

Long known as the center of a leading citrus growing area, the site of an excellent university and an attractive residential community, Redlands also has a diversified commercial and industrial base.

The climate of Redlands is warm owing to its proximity to the Mojave Desert. The mean temperature of the average hot day in August is 87 degrees. The mean temperature of the coldest day in January is 41 degrees. Precipitation amounts to a yearly average of about 15 inches.

Municipal Government

The City of Redlands was incorporated in 1888. It is a general law city operating under the council-manager form of government. The City Council is composed of five members who are elected at large to alternating four-year terms at elections held every two years. The Council selects one of its members to serve as Mayor.

Population

The 1970 census showed a population of 36,355 for the City of Redlands, an increase of 35.5 percent from the 1960 population of 26,829.

The State Department of Finance certified the 1975 population of the city to be 37,500.

Construction Activity

The number and valuation of building permits issued by the City of Redlands are set forth in the tabulation on the following page.

Employment

The 1974 San Bernardino County Industrial Directory lists 70 manufacturing firms in Redlands of which 13 employ more than 50 persons.

Major non-manufacturing employers include federal, state and local government, General Telephone Company, and the University of Redlands.

CITY OF REDLANDS

Building Permits and Valuations

Year:	1970	1971	1972	1973	1974
VALUATION					
Single Family Residential	\$1,889,190	\$ 2,352,160	\$1,869,870	\$1,892,275	\$ 596,700
Multiple Dwellings	1,195,930	3,067,955	3,830,350	187,850	65,000
Commercial	302,550	582,500	581,850	783,000	1,878,000
Industrial	375,900	288,600	253,110	134,000	637,650
Community Facilities①	1,776,000	1,554,470	37,000	1,883,920	315,900
Alterations	1,126,345	1,088,630	1,787,740	2,878,280	1,410,620
Other	241,735	1,160,165	439,410	1,109,110	403,523
Total Valuation	\$6,907,650	\$10,094,480	\$8,799,330	\$8,868,435	\$5,307,393
PERMITS					
Residential	122	156	107	80	20
Other New Construction	13	13	17	13	18
Alterations and Others	676	744	774	837	756
Total Permits	811	913	898	930	794

① Churches, hospital schools and museum.

Shown below is the distribution of employment by industry for the City of Redlands and the surrounding communities of Bryn Mawr, Loma Linda, Yucaipa, Mentone, and Calimesa as of July 1970, the latest period for which information is available. These figures were estimated by the California Department of Employment Development.

REDLANDS LABOR MARKET

Employment

	July 1970 Estimates	
	Total	% of Total
Agriculture, forestry, fisheries ...	500	2.5
Mining	0	0.0
Contract construction	900	4.4
Manufacturing	3,400	16.8
Transportation, communication, utilities	900	4.4
Trade	3,300	16.3
Finance, insurance, real estate ...	700	3.4
Service	8,000	39.4
Government	2,600	12.8
Total	20,300	100.0

The local Redlands community labor market is located within the larger San Bernardino-Riverside-Ontario Metropolitan Labor Area. Most major employers located in this area are within easy commuting distance of Redlands. This larger area of employment analysis is much more meaningful in connection with measuring the economic impact on Redlands due to the mobility of labor within the area. The distribution of employment for the metropolitan area for the last two years is shown in the tabulation at the top of the following page.

The government sector, including federal, state, and local employees, and military civilian workers, was the leading category, followed by the trade and services sectors. The primary metals and transportation equipment industries were the leading employers amongst manufacturers.

Industry

The major manufacturing facilities with more than 50 employees located in Redlands are listed on the following page.

The 1974 San Bernardino County Industrial Directory listed close to 1,000 fabricating, manufacturing, and processing firms ranging in size from less than 10 employees to more than 1,000 employees.

SAN BERNARDINO-RIVERSIDE-ONTARIO LABOR MARKET AREA Employment

Classification	March 1974	March 1975
Manufacturing	55,400	51,100
Mineral Extraction	2,600	2,600
Contract Construction	15,100	12,300
Transportation, Communication and Utilities	19,000	18,600
Trade	75,700	79,500
Finance, Insurance and Real Estate	12,100	11,900
Services	67,500	69,400
Government	83,600	88,100
Agriculture	21,900	20,700
Total	352,900	354,200

Kaiser Steel, located just 15 miles northwest of Redlands in Fontana, employs over 8,000 people and is the reason for the major employment being in the metals processing sector. As would be expected, much of the other major industry located in Fontana either supports or uses the output of Kaiser Steel.

Another major industry is citrus processing, owing to the citrus agriculture base of the county. The largest firm in this sector is the Orange Products Division of Sunkist Growers, Inc. Located in Ontario, the firm employs over 700 people.

Transportation equipment is another major industry and includes manufacturers of mobile homes and trailers, fiberglass parts, truck trailers and automobile parts, and aircraft maintenance.

Other major employers are the General Telephone Company (405) and the University of Redlands (469).

Military Activity

Four major military installations are located in San Bernardino County while two other facilities with headquarters in adjacent counties occupy portions of the county. Norton Air Force Base, near the City of San Bernardino, employs the largest military and civilian contingent. The principal installation at Norton is the 63rd Military Airlift Wing, and the base serves as one of the three ports of air embarkation and debarkation for the Pacific theatre.

George Air Force Base, near Victorville, is headquarters for the 479th Tactical Fighter Wing, providing pilot and maintenance crew training.

The Marine Corps Supply Station near Barstow has the responsibility of storage, maintenance, repair, issuance and shipment of military materials to Marine Corps installations worldwide. Advantages of the base include its desert site with low humidity and rainfall and excellent transportation facilities. Another Marine Corps facility located at Twenty-Nine Palms covers an area of 932 miles, principally

CITY OF REDLANDS

Largest Industries

Company	Employment	Product
Air Factors Co. Division of Wehr Corp.	100	Diffusers
Big Bear Timber	93	Particle board
Brookside Dairy	80	Dairy and milk distribution
La-Z-Boy West Division	225	Upholstered furniture
Pawnee Plastics	40	Thermoplastic extrusions
Richmond Corporation	145	Plastic packaging materials
Stevens Hosiery, Inc.	64	Women's hosiery
Teledyne Battery Products Division of Teledyne, Inc.	110	Aircraft, automotive and marine batteries
Tri-City Concrete	135	Ready-mix concrete
Universal-Rundle Corporation	85	Plumbing fixtures
Westinghouse Electric Corporation	112	Electric vehicles

Source: Redlands Chamber of Commerce.

serving training functions for regular and reserve forces.

Commerce

Shown below is a summary of taxable retail sales within the City of Redlands as reported by the State Board of Equalization.

As noted previously, a significant increase in commercial activity is expected to be produced by the shopping center which is part of the redevelopment project to be financed by the bonds currently being offered.

Banking

The Bank of America N.T. & S.A. has two branches in Redlands. The Bank of California N.A., Crocker National Bank, the Bank of Redlands, the Security First National Bank and the United California Bank each have one branch.

In addition, there are two savings and loan offices in the city, Provident Federal Savings and Loan Association and Redlands Federal Savings and Loan Association.

Transportation

Redlands is served by two major transcontinental railroads, the Santa Fe and the Southern Pacific.

Interstate Highway 10 is a six-lane freeway which passes through the city. It provides freeway access to San Bernardino, the Los Angeles area, eastern parts of San Bernardino County, and connects with other freeways for interstate and intrastate travel.

Redlands Municipal Airport, with a 4,500-foot runway, accommodates general aircraft. Ontario International Airport, 25 miles west of Redlands, is operated by the Los Angeles Department of Airports. It is served by Air California, Hughes Air West, American Airlines, Continental Airlines, Golden West Airlines, PSA, United Air Lines and Western Airlines.

Utilities

Electric power is furnished by Southern California Edison Company. Southern California Gas Company provides natural gas service. Telephone service is furnished by General Telephone and Electronics Corporation.

Education

All of the populated area of the City of Redlands is in the Redlands Unified School District. The district operates eleven elementary schools, three junior high schools, and a senior high school. A small portion of the city is within the boundaries of the San Bernardino Unified School District. Shown

CITY OF REDLANDS

Taxable Sales Distribution (in thousands)

Year:	1970	1971	1972	1973	1974
Apparel stores	\$ 2,524	\$ 2,681	\$ 2,754	\$ 2,449	\$ 2,240
General merchandise stores	9,121	5,175	7,564	7,663	7,583
Food stores	8,688	8,751	7,479	6,612	6,863
Package liquor stores	1,630	1,718	1,636	1,752	1,805
Eating and drinking places	4,201	4,782	6,435	7,439	8,424
Drug stores	1,192	1,312	1,231	1,234	1,297
Home furnishings and appliance stores	2,932	2,995	3,017	3,261	3,381
Building material and farm implement stores	1,441	1,420	1,150	1,234	1,369
Motor vehicle dealers, auto supply stores and service stations	17,800	20,745	24,666	29,622	27,294
Other retail outlets	3,845	4,139	5,073	6,286	8,652
Total Retail Sales	\$53,374	\$53,718	\$61,005	\$67,552	\$68,908
All other outlets	8,046	9,069	9,501	10,007	10,327
Total All Sales	\$61,420	\$62,787	\$70,506	\$77,559	\$79,235

below is the enrollment for the Redlands Unified School District in recent years.

ENROLLMENT OF SCHOOLS

Year	Elementary	Secondary
1970	8,407	5,732
1971	6,146	5,937
1972	5,743	5,744
1973	5,455	5,867
1974	5,186	5,692

An important factor in the economic and social makeup of the city is the presence of the University of Redlands. The University was founded in 1907 by the Baptist Church. In 1966 the university was reorganized to include the University College and Johnston College. Major fields of study at the University College are business administration, chemistry, education, government, English, engineering, music and physics. Johnston College emphasizes the "laboratory method of learning" in which the student's independent, class, and field work reinforce each other. Rather than separate academic departments, there are "Dimensions": Interpersonal, Intercultural, International, and Environmental.

The campus covers over 100 acres and contains 34 buildings surrounding a large quadrangle.

Just west of Redlands lies Loma Linda University, a Seventh-Day Adventist co-educational institution,

with an annual enrollment of about 3,000. Other colleges within a short commuting distance of Redlands include the University of California at Riverside, California State College at San Bernardino, San Bernardino Valley Community College, and the Crafton Hills Community College.

Community Facilities

Redlands has one general hospital with a bed capacity of 195. Local medical practitioners include 81 physicians and surgeons, 22 dentists, and 15 miscellaneous specialists. Loma Linda University Hospital and the recently authorized Loma Linda Veterans Administration Hospital are 6 miles west of Redlands.

Recreational facilities include a movie theatre, the University of Redlands' Glen Wallichs Theatre, the Crafton Hills Community College Theatre, the Redlands Bowl (an outdoor theatre), a lawn bowling facility, two public swimming pools, 7 parks, 13 playgrounds, and a golf club.

Agriculture

Redlands is at the center of a major navel orange producing area. There are still many groves surrounding the city despite the increasing urbanization.

The following tabulation summarizes agricultural production throughout San Bernardino over the past five years.

SAN BERNARDINO COUNTY

Gross Value of Farm Production

	1970	1971	1972	1973	1974
Fruits and nuts	\$ 13,175,200	\$ 32,453,900	\$ 21,360,900	\$ 31,978,100	\$ 20,596,500
Vegetables	2,639,000	2,012,000	2,732,500	2,829,000	3,454,500
Field crops	6,092,900	5,608,000	6,472,000	9,074,000	12,065,100
Seed crops	36,000	82,000	45,300	101,600	96,900
Nursery products	2,792,100	2,884,600	4,117,200	3,551,200	4,462,700
Apiary products	279,000	389,400	662,700	1,302,200	1,174,000
Livestock and poultry ...	27,283,000	29,657,000	30,655,000	41,786,000	37,832,400
Animal products	113,910,100	115,944,300	126,387,700	172,828,000	205,921,500
Total Value	\$166,207,300	\$189,031,200	\$192,433,300	\$263,450,100	\$285,603,600

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